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FOR IMMEDIATE RELEASE
SEPTEMBER 9, 2004

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**FORMER NY STATE COMMISSIONER OF LABOR
AND STATEN ISLAND BUSINESSMAN SENTENCED FOR BRIBERY**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced that former New York State Commissioner of Labor, JAMES MCGOWAN, and businessman JOHN SEGRETI were sentenced today by United States District Judge CHARLES L. BRIEANT in White Plains federal court. MCGOWAN was sentenced to 37 months of prison and SEGRETI to 57 months of prison arising from their conviction by a jury of bribery, mail fraud and other charges in a five week long jury trial that concluded in May 2004. MCGOWAN was also convicted of tax offenses arising from his failure to report the illegal payments.

JAMES MCGOWAN was the New York State Commissioner of Labor from February 1998 through October 2000 and is the former President of the New York State Professional Firefighter's Association. JOHN SEGRETI is the former President of the National Traffic Safety Institute ("NTSI") and the owner and operator of numerous schools throughout the country that provide driver education.

According to the proof at trial, SEGRETI paid MCGOWAN a steady stream of payments totaling over \$12,000, including a trip to Disney World, a golf club membership and payment for a staff holiday party that MCGOWAN hosted for his Executive Staff at the Department of Labor. In addition, the two secretly agreed that upon MCGOWAN's departure from his position as Commissioner of Labor that MCGOWAN would receive income from the SEGRETI COMPANIES.

According to the proof at trial, MCGOWAN steered and attempted to steer hundreds of thousands of state and federal grant dollars to the SEGRETI COMPANIES, a portion of which was funneled through a fictitious shell corporation. In addition, the evidence at trial demonstrated that SEGRETI and MCGOWAN acted to conceal their conduct. Specifically, SEGRETI lied to New York State Inspector General investigators who were investigating the relationship between SEGRETI and MCGOWAN, and MCGOWAN concealed the bribe payments by failing to disclose them on his financial disclosure forms. Some of the bribe payments were funneled through a third-party, an affiliate of the SEGRETI COMPANIES, to conceal that they were payments from SEGRETI to MCGOWAN.

Imposing sentence, Judge BRIEANT said that MCGOWAN had enjoyed a tremendous career in public service which had enabled him to obtain the "substantial position" of the New York State Commissioner of Labor and then MCGOWAN became a "crooked public official" and engaged in "inexcusable conduct." Imposing a lengthier sentence on SEGRETI, Judge BRIEANT found that SEGRETI

had obstructed the Government's investigation and further said that SEGRETI is a sophisticated businessman who knew better than to pay a public official for an advantage. Both defendants were ordered to pay restitution of \$232,810 and sentenced to three years of supervised release following their respective prison terms.

MCGOWAN, 65, of Yorktown Heights, New York, and SEGRETI, 45, of Colts Neck, New Jersey, will voluntarily surrender to prison facilities designated by the Bureau of Prisons.

The conviction was the product of a joint investigation by the United States Department of Labor's Office of Inspector General and the Employee Benefits Security Administration, the Internal Revenue Service, Criminal Investigation Division and Examination Division and the New York State Inspector General. Mr. KELLEY praised the efforts of all five agencies.

Assistant United States Attorneys CYNTHIA K. DUNNE and PERRY CARBONE are in charge of the prosecution.

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